

Revised January 6, 1986 (IC)
 Destroy all previous Basic and White
 cards on this Company

CUSIP Number 233308
 Stock Symbol DRG

Head Office — 1470 Don Mills Rd., Suite 301, Don Mills, Ont. M3B 2X9

Telephone — (416) 443-0381

THE COMPANY produces a wide range of products, which include rigid and flexible packaging, commercial envelopes, stationery and pressure-sensitive tapes, using film, foil, paper and plastics, from manufacturing plants across Canada.

Fiscal Year	COMPARATIVE DATA						Earns. Per Sh.	Divd. Paid	Price Range	
	Total Assets	Net Fixed Assets	Shldrs.' Equity	Net Sales	Net Inc. Oper.				High	Low
	000's									
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1984....	66,101	25,581	40,194	115,013	4,362	1.21	0.49	10.13	8.00	
1983....	58,627	26,234	36,496	103,399	1,548	0.43	0.46	9.50	6.50	
1982....	58,557	26,928	36,601	102,534	1,395	0.39	0.46	7.00	4.25	
1981....	58,489	24,096	43,396	108,932	4,349	1.21	0.46	10.25	5.88	
1980....	53,208	17,554	33,068	107,809	5,273	1.47	0.40	8.50	5.13	

CONSOLIDATED CAPITALIZATION AT DECEMBER 31, 1984

	Outstanding		%
Class A common stock	2,393,700	shs.	3,853,000
Class B common stock	1,200,000	shs.	1,664,000
Retained earnings			34,677,000

SUMMARY STATEMENT

For the nine months ended Sept. 30, 1985, net sales were up 4% at \$88,485,000 from \$85,460,000 for the same period in 1984. Net income declined 2% to \$3,278,000 or 91 cents per share compared with \$3,362,000 or 94 cents per share in the corresponding period of 1984. The nine month results for 1984 included an extraordinary loss of \$108,000; there were no such items in the 1985 period.

For the year ended Dec. 31, 1984, net income, operations jumped threefold on an 11% gain in net sales over results for 1983. Extraordinary items amounting to \$1,097,000 resulting from a \$1,206,000 gain on the sale of fixed assets, and a \$109,000 loss on the closures of leased plant facilities, boosted net income to \$5,459,000 or \$1.52 per share. There were no extraordinary items in 1983. The recovery, from the previous year's heavy losses incurred due to a seven week strike in Flexible Packaging, saw a record high increase in exports to the United States. In addition, the Plastics division's sales rose 25% over the previous year's results. Envelopes and Stationery segments also had significant increments in sales and earnings.

Dividends have recently been increased to an annual rate of 54 cents per share, or 13.5 cents per share paid quarterly.

Capital expenditures for 1984 were \$2,658,000 compared with \$2,467,000 for 1983. In the previous five years, \$26 million had been spent on new equipment and retro-fitting older equipment.

N.B.—For quick reference data, see page 2.

THE FINANCIAL POST CORPORATION SERVICE

Maclean Hunter Building, 777 Bay Street, Toronto M5W 1A7 Telephone (416) 596-5585
 1001 Boul. de Maisonneuve ouest, Montréal H3A 3E1 Téléphone (514) 845-5141

Copyright © 1986—Maclean Hunter Limited



QUICK REFERENCE DATA

Major Shareholder—DRG public limited company of England beneficially owns approximately 1,326,000 class A subordinate voting shares and all of the class B shares of the company, representing 70.3% of the outstanding shares.

Employees—During 1984, the company had an average of 1,097 employees.

Incorporation—Dominion charter, December 29, 1933; continuance November 14, 1977.

Auditors—Price Waterhouse, C.A., Toronto.

Fiscal Year Ends—December 31.

Annual Report Appeared—In March, 1985.

Annual Meeting—April 24 in 1985.

Listed—DRG, Toronto Stock Exchange (class A only).

Shareholders—At December 31, 1984, the company had 1,009 shareholders.

Transfer Agent and Registrar—National Trust Company, Limited, Montreal, Toronto and Vancouver.

COMPANY

From its 11 manufacturing plants, the company manufactures and distributes envelopes and envelope-type products, writing papers and stationery, rigid and flexible packaging materials, calendars, adhesives and pressure sensitive tapes, using film, foil, paper and plastics. It is also engaged in printing as well as the distribution of advertising specialties and business gifts.

A national sales force operates from coast to coast in Canada.

OPERATIONS

The company's operations are carried out through two divisions, Packaging and Envelope and Stationery:

Packaging Division

The division manufactures flexible packaging material including coated papers, laminations of paper, film and foil, labels, child-resistant packaging for freezer-dried products, wrappers, and paper and plastic bags through **DRG Packaging**. It also supplies materials and equipment for flexible vacuum packs systems and is engaged in printing by lithographic, letterpress, rotogravure and flexographic processes. Through **DRG Specialty Advertising**, advertising specialties and business gifts are distributed. A wide selection of calendars is offered through association with another manufacturer. Through **DRG Plastics**, a wide range of thermo-formed foamed plastic articles is manufactured, aimed mainly at the food-service and disposable markets. **DRG Hospital Supplies** offers hospitals disposable and reusable packaging.

DRG Sellotape manufactures a complete line of sticky tapes for home, office and industry; tapes made with plastics, cellulose, acetate, paper and cloth. New consumer tape products were introduced in 1984.

1984 Operations—Sales of packaging materials established a historical high in 1984. Export sales to the United States recorded the largest annual increase for this division; the outlook is towards greater development of product markets for the U.S. market. It was another year of growth for the plastics division, as sales increased by 25%. The size of its manufacturing plant was doubled and new extrusion equipment was installed so that new product areas may be explored,

such as, juice cups, mushroom trays, cookie trays, as well as trays for airline meals. Sellotape's sales increased 6% for the year, in spite of heavy competition. Consumer tape products were at the forefront of this increase. Specialty advertising, on the other hand, was adversely affected by the recession as the market has become discretionary with its expenditures.

Envelope and Stationery Division

DRG Globe Envelopes—(400 Humberline Dr., Etobicoke, Ont.) Manufactures and distributes a complete line of commercial envelopes for business and industrial purposes. Products include "Intertac" reusable envelopes, "Tyvek" envelopes suitable for delivery by courier or regular mail, Returnelopes for direct response application, Perto Plus® where protection of valuable documents is required, and pre-stamped envelopes, Interlam 2® and Returnelopes. Printed envelopes are also designed and manufactured for the packaging of machine parts, powders, seeds and other consumer items. A line of "continuous form" envelopes is made for use with electronic accounting machines. Also engaged in direct mail operations.

The subsidiary, **DRG Enveloppe Internationale INC.** (7000 rue Hochelaga, Montreal, Que.), manufactures and distributes a wide variety of envelopes, mainly in Quebec and the Maritime provinces.

DRG Stationery Company—(71 Todd Rd., Georgetown, Ont.) Manufactures and distributes writing papers and stationery for office, home and school including construction paper, exercise books, new schoolbooks bound with solid plastic wires, scribbles, loose leaf refills, consumer pressure-sensitive tapes, gift wrap tapes, etc., marketed under several branded lines, including Lion Brand (social), Summit (commercial), Campus (school), Nova (home), and Sellotape (consumer tapes).

1984 Operations—This segment had a record year reflecting an improving economy and low inventory levels.

BRAND NAMES

Company brand names include Vac Pac, Esaran-cote, Sterilite, Flavotainer, Lion Brand, Campus, Redi-Line, Tung-Lok, Sellotape, Insil, Lustragard, Lustrasoft, Plasti-Sacs, Presweld, Hi-Glo, Tuftex, Plant Fresh, Micro-Wrap, The Green Line, Habitat, Campfire, The Playtime Doodler, Prisma, Mr. Big Jotting Pad, Colossal, Fullback, Secure-it, Speedfix, Brieflet, Croxley, Interlam, Intertac, Perto-Plus, Summit, Flexitone, Steri-Vu, Computab, Interseal, and Basilidon.

PLANTS

DRG Globe Envelopes' main office and plant is in a 100,000 sq. ft. building located at 400 Humberline Dr., Toronto, Ont. This division also operates plants in Edmonton, Regina, Vancouver, Winnipeg, Moncton, and London, and has offices in Calgary, Ottawa, Montreal and Halifax. **DRG Enveloppe Internationale Inc.** operates a modern plant at 7000 rue Hochelaga, Montreal and maintains an office in Quebec City.

DRG Packaging owns 12.32 acres and buildings with a total area of approximately 530,000 sq. ft. at 85 Laird Dr. in East York (Toronto). Company also operates a plant at Kitchener. Offices are located in Vancouver, Calgary, Winnipeg, London, Milton, Kingston, Montreal and Windsor, N.S.

DRG Stationery Company operates a plant at 71 Todd Rd., Georgetown, Ont. Sales offices are located in Vancouver, Calgary, Winnipeg, Montreal, Kitchener and Halifax.

CAPITAL EXPENDITURES

Purchases of fixed assets in recent fiscal years have been as follows:

1975	\$2,868,505	1980	\$5,361,309
1976	1,519,706	1981	10,074,000
1977	1,242,893	1982	5,533,000
1978	1,784,207	1983	2,467,000
1979	2,415,308	1984	2,658,000

HISTORY

The company was incorporated as Globe Envelopes Limited with a Dominion charter on Dec. 29, 1933 (continuance under the Canada Business Corporations Act was granted Nov. 14, 1977). S.L.P. dated July 7, 1960, changed the company from a private to a public company, and in July, 1960, a public offering of stock (not new financing) was made.

From Sept. 30, 1959, under management fee and rental agreement, the company, on its own premises in Toronto, has carried on the operations of Kalyx Cups Limited, manufacturers of paper cups and containers since incorporation on Dec. 29, 1955. The issued and outstanding shares of Kalyx Cups Limited, comprising 250 preference shares, \$100 par value and 1,950 no par value common shares, were owned by Maubank Limited, having been acquired under agreement dated Sept. 17, 1959, for \$100,000. Under an agreement effective Apr. 1, 1960 and dated July 7, 1960, Globe Envelopes Limited purchased all the assets and undertaking of Kalyx Cups Limited, other than cash on hand or in bank, for a purchase price of \$191,236, of which \$132,389 was paid by the assumption of the liabilities as at Mar. 31, 1960, and \$58,847 by the allotment and issuance to the vendor of 30,000 new common class B shares. All the issued and outstanding shares of Maubank Limited were owned by J. William Horsey interests. In the 1963 annual report, the company stated that the equipment of the paper cup division other than for the manufacture of "envelope-type" cups was sold.

In September, 1963, the company acquired all the shares of John Dickinson (Canada) Limited from the former owners. Consideration included 59,000 class A shares of Globe, issued to John Dickinson Co. of England.

At Sept. 30, 1965, the company acquired the assets and undertakings of its wholly owned subsidiary, Globe Envelopes Western Limited.

In November, 1965, the company purchased for an undisclosed cash amount all outstanding shares of Envelope Internationale Ltée.

A new subsidiary, Globe Envelopes Realty Limited, was formed in 1965-66 to operate the company's real estate holdings in Toronto, London, Montreal and Winnipeg.

By S.L.P. dated Aug. 7, 1969, the company's name was changed to DRG Limited.

On Aug. 11, 1969, the company acquired all the outstanding shares of E. S. & A. Robinson (Canada) Limited for 560,000 class A and 300,000 class B shares; and all the outstanding shares of Sellotape Canada Limited for 45,000 class A and 240,000 class B shares. Both acquired companies were previously wholly owned subsidiaries of The Dickinson Robinson Group Ltd. of U.K., held through the E. S. & A. Robinson (Holdings) Limited and Adhesive Tapes Limited, respectively.

On Oct. 1, 1971, the company purchased a 51% interest in Ercona Adhesives Limited (now Drecona Industries Limited) and on Dec. 31, 1971, acquired the business of Gage Stationery Company.

In July, 1973, E. S. & A. Robinson (Canada) Ltd. purchased for cash the business and assets of Plastic Forms Limited of Kitchener, Ont.

In February, 1974, the company sold its 51% interest in Drecona Industries Limited to Evode Limited of Stafford, England.

In fiscal 1975, the names of the subsidiaries and divisions were changed as follows: Globe Envelopes Products Ltd. to DRG Globe Envelopes Limited; International Envelope Ltd. to DRG International Envelope Limited; E. S. & A. Robinson (Canada) Ltd. to DRG Packaging Limited; Sellotape Canada Ltd. to DRG Sellotape Limited; Gage Stationery Co. to DRG Stationery Company and DRG Eastern Stationery.

During 1977, DRG Eastern Stationery discontinued manufacturing operations at Longueuil, Que., plant and consolidated those operations at its Georgetown, Ont., plant.

On Jan. 1, 1978, the company amalgamated with DRG Globe Envelopes Limited, Globe Envelopes Realty

Limited, DRG Packaging Limited, DRG Sellotape Limited and DRG International Envelope Ltd. At the same time a newly formed subsidiary, Les Produits Envelope Internationale DRG Limitée, continued the business of DRG International Envelope Ltd.

By Certificate of Amendment dated Apr. 23, 1981, the name of the company was changed from DRG Limited to the present title. Also subsequent to the 1980 fiscal year-end, the company sold the inventories, machinery and equipment of its Selloprint department.

In 1981, the company's subsidiary, DRG International Envelope Products Limited, changed its name to DRG Envelope Internationale INC.

WHOLLY-OWNED SUBSIDIARY

DRG Envelope Internationale INC.—7000 rue Hochelaga, Montreal, Que. H1N 1Y8. Produces a wide range of envelopes.

OFFICERS AND DIRECTORS

Officers—W. G. Horsey, hon. chm.; N. C. Morris, chm., pres. & chief exec. officer & chief oper. officer, envelope & stationery div.; J. L. Stanford, exec. v-p & chief oper. officer, pkg. div.; J. R. Ward, v-p, corp. affairs; S. D. Randall, contr.

Directors—W. G. Horsey, J. R. Ward, J. A. McCleary, J. L. Stanford, N. C. Morris, A. S. Fell, Toronto; P. Casgrain, Montreal; J. S. Camm, J. M. Woolley, Bristol, England.

CAPITAL STOCK

(As at Dec. 31, 1984)

	Author.	Outstand.
Class A	\$8,000,000 shs.	2,393,700 shs.
Class B	1,200,000 shs.	1,200,000 shs.

\$Of which 1,200,000 shares are reserved for conversion of class B stock.

Class A Subordinate Voting and Class B—Both classes rank pari passu with holders being entitled to the same rights, privileges and benefits. Prior to July 8, 1962, no cash dividends were paid on class B shares. Class A is entitled to one vote per share, class B to three votes per share. Class B shares are convertible into class A shares on a share-for-share basis at the option of the holders.

CHANGES IN CAPITAL STOCK

In 1933, the authorized capital stock consisted of 1,000 preference shares, \$100 par and 2,000 common shares, no par value.

Creation of an additional 1,500 preference shares, \$100 par value, ranking on a parity with the authorized and outstanding 1,000 preference shares was approved by supplementary letters patent dated Feb. 13, 1937; the authorized 2,000 no par value common shares remained unchanged.

By S.L.P. dated July 7, 1960, approval was given to: (a) subdivision of the authorized and outstanding no par value common shares (2,000 and 1,950 shares respectively) on a 100-for-1 basis and reclassification as no par value common class A shares; (b) creation pari passu of an additional 800,000 no par value common class A shares and (c) creation of 150,000 no par value common class B shares.

By agreement dated July 7, 1960, 30,000 class B shares were issued as part consideration for the assets and undertaking of Kalyx Cups Limited (see under History).

On July 15, 1960, all outstanding \$100 par preference shares were redeemed at par and accrued dividends, and by S.L.P. dated July 19, 1960, the entire issue was cancelled.

Under an agreement dated September, 1963, 59,000 class A shares were issued as part consideration for the acquisition of John Dickinson Co. (Canada) Ltd. (see under History). This brought the issued and outstanding capital stock to 254,000 class A and 30,000 class B shares.

At a special meeting on June 23, 1964, shareholders approved changes in the capital stock provisions, deleting the provision that additional cash dividends on class B stock may be paid from time to time to a total

not exceeding the amount paid in cash dividends on class A stock between July 7, 1960, and July 8, 1962; and adding a provision making class B shares convertible at the option of the holders into class A shares on a share-for-share basis.

By S.L.P. dated June 19, 1965, the class A and class B common shares were subdivided on a 2-for-1 basis, resulting in 2,000,000 authorized class A shares and 300,000 authorized class B shares, both no par value, of which 508,000 class A shares and 60,000 class B shares were issued and outstanding.

In 1965, 3,900 class A common shares were issued under option at \$5.50 a share.

During 1968, 600 class A common shares were issued under option at \$9.50 per share.

By S.L.P. dated Aug. 7, 1969, the authorized capital was increased to 4,000,000 class A and 600,000 class B common shares. Subsequently, 560,000 class A and 300,000 class B shares were issued to E. S. & A. Robinson (Holdings) Limited for all the outstanding shares of E. S. & A. Robinson (Canada) Limited; and 45,000 class A and 240,000 class B shares were issued to Adhesive Tapes Limited for all the outstanding shares of Sellotape Canada Limited.

During 1970, options were exercised on 1,000 common class A shares for a total consideration of \$9,500, bringing capital stock outstanding at Dec. 31, 1970, to 1,118,500 class A and 600,000 class B common shares.

During 1971, options were exercised on 14,300 common class A shares.

By S.L.P. dated Apr. 17, 1972, the authorized and issued class A and class B common shares were split on a 2-for-1 basis, increasing the authorized capital to 8,000,000 class A common shares and 1,200,000 class B common shares. During 1972, 58,600 new common class A shares were issued under options for a total consideration of \$278,350. As a result, there were 2,324,200 common class A and 1,200,000 common class B shares outstanding at Dec. 31, 1972.

During 1973, options were exercised on 59,000 common class A shares.

During 1974, options were exercised on 10,500 common class A shares, bringing capital stock outstanding at Dec. 31, 1974, to 2,393,700 class A shares and 1,200,000 class B shares.

During 1983, the common class A shares were redesignated as class A subordinate voting shares and the common class B shares as class B shares.

DIVIDENDS

Class A Subordinate Voting & Class B (previously common class A & B)—Current rate is 54 cents per share per annum, established with the quarterly payment of 13½ cents per share on May 21, 1985. Previously, a rate of 50 cents per share per annum was paid quarterly from Aug. 20, 1984 to Feb. 20, 1985, inclusive. A rate of 46 cents per share per annum was paid quarterly from May 21, 1981 to May 18, 1984, inclusive and a rate of 40 cents per share per annum was paid quarterly from Feb. 2, 1975 to Feb. 23, 1981, inclusive.

Dates payable—Feb., May, Aug. and Nov.

Following capital reorganization in July, 1960, an initial rate of 52 cents per share per annum was paid on the class A and B shares. The rate was paid quarterly from Nov. 1, 1960 to Nov. 2, 1964 inclusive on the class A shares and on the class B shares from Aug. 1, 1963 to Nov. 2, 1964, inclusive.

Dividends of 15 cents per share were paid on the class A and B shares on Feb. 1 and May 1, 1965.

Following the 2-for-1 stock split in June, 1965, a rate of 32 cents per class A and B share per annum was paid quarterly from Aug. 3, 1965 to Feb. 1, 1967, inclusive. The rate was increased to 36 cents per share per annum with quarterly payments of nine cents per share made from May 1, 1967 to and including May 1, 1968. A rate of 40 cents per share per annum was paid regularly, quarterly from Aug. 1, 1968 to May 1, 1969, inclusive. Rate of 48 cents per share per annum was paid quarterly from August, 1969 to and including August, 1971. Payments of 14 cents per share were paid Nov. 1, 1971 and Feb. 1, 1972 and 16 cents per share was paid May 1, 1972 (last payment prior to 2-for-1 split).

A rate of 32 cents per share per annum was paid quarterly from May 1, 1972, (first following 2-for-1 stock split in April, 1972) to Feb. 1, 1973, inclusive. A rate of 36 cents per annum was paid quarterly from May 9, 1973 to Nov. 1, 1974, inclusive; and rate of 40 cents per share per annum was paid quarterly from Feb. 2, 1975 to Feb. 23, 1981, inclusive.

Preference (old)—Dividends of 7% per share per annum paid to redemption on July 15, 1960.

Common (old)—Dividends of \$5.75 per share paid quarterly from Apr. 1, 1957, to capital reorganization in July, 1960.

PRICE RANGE OF STOCK

Common Class A

Year	High	Low	Year	High	Low
1975	\$7.88	\$5.00	1980	\$8.50	\$5.13
1976	6.00	4.25	1981	10.25	5.88
1977	5.25	3.70	1982	7.00	4.25
1978	6.50	3.40	1983	9.50	6.50
1979	7.00	5.00	1984	10.13	8.00

LONG-TERM DEBT

At Dec. 31, 1984, the company had no long-term debt outstanding.

INTERIM REPORT

For the nine months ended Sept. 30, 1985, net income declined 2% on a 4% gain in net sales over results for the corresponding period in 1984. Net income in 1984 included an extraordinary loss of \$108,000; there were no extraordinary items incurred in the 1985 period.

Changes in Financial Position

Source of cash for the nine months ended Sept. 30, 1985, totaled \$1,909,000.

Use of cash included \$1,178,000 in additions to fixed assets and \$1,420,000 in payment of dividends. Total cash deficit at the end of the period amounted to \$689,000. Cash, including short term investments, totaled \$7,424,000 at Sept. 30, 1985.

INTERIM EARNINGS

Fiscal Year	Net Sales	Net Inc. Oper.	Earns. per A & B Sh.	Net Sales	Net Inc. Oper.	Earns. per A & B Sh.	Net Sales	Net Inc. Oper.	Earns. per A & B Sh.
	3 months			6 months			9 months		
	\$000's		\$—	\$000's		\$—	\$000's		\$—
1978 ..	19,105	460	0.13	41,891	1,238	0.35	62,528	1,863	0.52
1979 ..	21,447	350	0.10	47,714	1,320	0.37	72,638	1,900	0.53
1980 ..	25,960	1,090	0.30	54,420	2,469	0.69	79,984	3,534	0.98
1981 ..	24,538	1,170	0.32	56,058	3,230	0.90	80,123	3,478	0.97
1982 ..	23,945	270	0.08	52,200	1,370	0.38	76,300	1,630	0.45
1983 ..	25,500	254	0.07	55,712	1,640	0.46	82,900	2,370	0.66
1984 ..	25,830	900	0.25	56,650	2,564	0.71	85,460	3,470	0.97
1985 ..	26,400	530	0.15	60,080	2,578	0.72	88,485	3,278	0.91

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
Years Ended December 31

	1984	1983
	—————	—————
	\$000's	
Source of Funds:		
Net income, operations	4,362	1,548
Depreciation	3,168	3,161
Deferred income taxes	183	189
Non-cash working capital	†2,068	2,089
	5,645	6,987
Use of Funds:		
Capital expenditures	2,658	2,467
Extraordinary items proceeds	†1,678	...
Red. term obligations	...	269
Dividends	1,761	1,653
	2,741	4,389
Increase cash	2,904	2,598
†Subtract.		

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS, YEARS ENDED DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
	—————	—————	—————	—————	—————	—————	—————
	\$000's						
Net sales	115,013	103,399	102,534	108,932	107,809	98,145	84,863
Less: Cost of sales, etc.	105,744	98,571	97,660	99,955	97,241	92,262	78,883
Add: Other income	475	428	345	592	339	...	174
Net before deprec., etc.	9,744	5,256	5,219	9,569	10,907	5,883	6,154
Less: Depreciation	3,168	3,161	2,701	2,318	1,881	1,793	1,642
L.-t. debt interest	22	16	49	85	43	65	223
Other interest exp.	...	13	26	57	38	385	...
Income taxes: Current	2,009	329	†222	865	2,906	1,076	1,450
Deferred	183	189	1,270	1,895	766	209	117
Net income, operations	4,362	1,548	1,395	4,349	5,273	2,355	2,720
Add: Extraord. items (net)▼	1,097	...	...	1,095	...	...	162
Net income	5,459	1,548	1,395	5,444	5,273	2,355	2,882
Add: Previous ret. earns.	30,979	31,084	31,342	27,551	23,715	22,797	21,352
Less: Class A dividends	1,173	1,101	1,101	1,101	957	957	957
Class B dividends	588	552	552	552	480	480	480
Retained earnings	34,677	30,979	31,084	31,342	27,551	23,715	22,797

▼In 1984, extraordinary items consisted of \$1,206,000 gain on sale of land and buildings, a \$109,000 loss on closures of leased plants; in 1981, \$713,000 gain on sale of discontinued business assets, a \$643,000 gain on sale of land and a loss of \$261,000 on plant relocation; in 1978, gain resulting from expropriation of land. †Credit.

Note—Due to truncating, sums may not equal totals in 1978.

Times Interest Earned:							
Before deprec. & amort.	442.91	181.24	69.59	67.39	134.65	13.07	27.56
After deprec. & amort.	298.91	72.24	33.57	51.00	111.43	9.09	20.21
Earnings Per Share:							
Class A & B: Earned†	\$1.21	\$0.43	\$0.39	\$1.21	\$1.47	\$0.66	\$0.76
Earned▶	1.52	0.43	0.39	1.51	1.47	0.66	0.80
†Based on net income, operations. ▶Based on net income.							
Dividends Paid or Declared:							
Class A & B	\$0.49	\$0.46	\$0.46	\$0.46	\$0.40	\$0.40	\$0.40

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
	-\$000's						
Assets							
Current:							
Cash & s.t. notes	8,113	5,209	3,119	2,007	7,157	41	305
Accounts receivable	14,927	11,725	12,111	15,566	15,756	14,995	14,583
Inc. tax recov. ....	.....	.....	880	1,348	.....	103	.....
Inventories:							
Raw materials	4,711	4,698	3,929	4,479	4,542	5,440	6,520
Work in process	3,102	2,579	2,408	2,429	2,200	2,522	2,258
Finished goods	8,337	5,779	7,155	6,637	5,533	7,440	7,234
Mortgage receivable .....	.....	1,333	1,333	.....	.....	.....	.....
Other	1,330	1,070	694	594	466	492	362
	40,520	32,393	31,629	33,060	35,654	31,033	31,265
Fixed assets:							
Land, bldgs., etc.,	55,537	54,640	52,946	48,230	40,761	36,699	34,670
Less: Accum. deprec.	29,956	28,406	26,018	24,134	23,207	22,625	21,219
	25,581	26,234	26,928	24,096	17,554	14,074	13,451
Mortgage receivable .....	.....	.....	.....	1,333	.....	.....	.....
	66,101	58,627	58,557	58,489	53,208	45,107	44,716
Liabilities							
Current:							
Due bank .....	.....	.....	508	1,076	1,005	1,585	1,439
Accts. pay. & accr. liabs.	14,932	13,345	12,612	12,687	11,434	9,771	9,243
Owing to affiliates	208	208	205	214	165	193	77
Inc. & other taxes pay.	2,151	597	458	471	2,235	351	1,662
Dividends payable	449	413	413	413	359	359	359
L.t. debt instal. ....	.....	.....	112	232	251	224	214
	17,740	14,563	14,308	15,093	15,449	12,483	12,996
Deferred income taxes	8,167	7,568	7,379	6,109	3,901	3,135	2,925
Long-term debt .....	.....	.....	269	660	1,041	481	694
Shareholders' Equity							
Capital stock:							
Common, class A	3,853	3,853	3,853	3,853	3,853	3,853	3,852
Common, class B	1,664	1,664	1,664	1,664	1,664	1,664	1,663
Retained earnings	34,677	30,979	31,084	31,342	27,551	23,715	22,797
	66,101	58,627	58,557	58,489	53,208	45,107	44,716

▼Inventories valued at the lower of cost and net realizable value; cost determined on a first-in, first-out basis.

Note—Due to truncating, sums may not equal totals in 1978 and 1977.

Operating Leases—Future minimum payments at Dec. 31, 1984, under operating leases entered into for more than one year were as follows: 1985—\$547,000; 1986—\$425,000; 1987—\$361,000; 1988—\$254,000; 1989—\$174,000; 1990 and thereafter, \$93,000.

Working Capital (\$000's):

Current assets	40,520	32,393	31,629	33,060	35,654	31,033	31,265
Current liabilities	17,740	14,563	14,308	15,093	15,449	12,483	12,996
Working capital	22,780	17,830	17,321	17,967	20,205	18,550	18,269
Ratio	2.28—1	2.22—1	2.21—1	2.19—1	2.31—1	2.49—1	2.41—1

Equities:

Net worth* (\$'000's)	40,194	36,496	36,601	36,859	33,068	29,232	28,314
Class A & B	\$11.18	\$10.16	\$10.18	\$10.26	\$9.20	\$8.13	\$7.88

* Available for the capital stock; based on shareholders' equity.

Shares Outstanding:

[illegible]

HISTORICAL SUMMARY

(As originally stated in company's annual reports for the respective years)

Fiscal Year†	Total Assets	Net Fixed Assets	Working Capital	Shldrs.' Equity	Net Sales	Net Inc. Opers.	Earns. per A & B sh.	Cl. A Price High	Range Low
				\$000's			\$	\$	\$
1951 ..						71	0.32		
1952 ..						76	0.34		
1953 ..						46	0.20		
1954 ..						29	0.13		
1955 ..						92	0.41		
1956 ..						137	0.61		
1957 ..						159	0.71		
1958 ..						178	0.79		
1959 ..						175	0.78		
1960 ..	1,754	585	673	1,370		190	0.84	†11.50	†10.50
1961 ..	2,115	930	602	1,257		174	0.77	14.13	10.75
1962 ..	2,150	869	652	1,292		137	0.61	11.75	8.00
1963 ..	2,099	777	794	1,378		187	0.83	11.75	8.75
1964 ..	2,716	987	1,161	1,808		323	1.14	14.50	9.75
1965 ..	2,992	1,099	1,232	2,171		421	1.48	▼12.00	▼8.00
1966 ..	4,947	2,351	1,238	1,928		467	▼0.82	11.13	7.75
1967 ..	5,309	2,378	1,463	2,261		521	0.91	9.75	7.25
1968 ..	5,554	2,332	1,668	2,610		555	0.97	11.00	6.25
1969 ..	5,710	2,703	1,474	2,724		525	0.92	13.75	8.50
1969▶	22,305	9,137	8,168	14,733	40,046	1,844	1.07	13.75	8.50
1970 ..	22,873	8,986	9,186	15,779	41,702	1,862	1.08	13.25	8.00
1971 ..	26,971	10,724	10,982	17,129	43,951	2,112	1.22	14.25	9.50
1972 ..	30,324	10,988	13,368	18,732	52,797	2,446	▼0.70	▼9.75	▼6.88
1973 ..	34,534	12,521	12,718	20,480	57,577	2,748	0.78	9.75	6.88
1974 ..	39,060	12,865	16,370	24,611	78,317	5,366	1.50	7.75	5.25
1975 ..	40,216	13,810	18,062	26,816	75,876	3,490	0.97	7.88	5.00
1976 ..	42,654	13,640	18,822	27,691	76,788	2,313	0.64	6.00	4.25
1977 ..	40,775	13,153	16,702	26,867	77,665	613	0.17	5.25	3.70
1978 ..	44,716	13,451	18,269	28,312	84,864	2,721	0.76	6.50	3.40
1979 ..	45,107	14,074	18,550	29,232	98,145	2,355	0.66	7.00	5.00
1980 ..	53,208	17,554	20,205	33,068	107,809	5,273	1.47	8.50	5.13
1981 ..	58,489	24,096	17,967	36,859	108,932	4,349	1.21	10.25	5.88
1982 ..	58,557	26,928	17,321	36,601	102,534	1,395	0.39	7.00	4.25
1983 ..	58,627	26,234	17,830	36,496	103,399	1,548	0.43	9.50	6.50
1984 ..	66,101	25,581	17,740	40,194	115,013	4,362	1.21	10.13	8.00

Note—Accounts are consolidated in 1964-67 inclusive, and in 1969 and subsequently.

‡Fiscal year-end Mar. 31 in 1951-69 inclusive; Dec. 31 subsequently.

†Listed Aug. 17, 1960.

▶Twelve months ended Dec. 31.

▼Following 2-for-1 split in June, 1965 and April, 1972.

(This information is obtained from sources we believe to be reliable, but is not guaranteed)

